



# Portfolio News

A quarterly update from Cambridge Capital Management Corp.™  
professional manager of non-traditional financing sources

Cambridge Capital  
Management Corp.

Third Quarter 2018

## “Friendly” Loan Terms for Small-Business Owners

A borrower recently told us that he believes the “interest rates are as low as they will ever be.” He wanted to get a “friendly” rate on his real estate and remodeling loan.

His banker offered SBA 504 financing and the borrower agreed. The monthly repayment figure that will stay the same regardless of the prevailing commercial rate at the time is attractive to him. He wants a stable figure he can count on amid other monthly business expenses — salaries, equipment, inventory — that will fluctuate from month-to-month.

In a separate event earlier this year, the SBA extended the time for borrowers to repay fixed-rate 504 loans to as much as 25 years. The 10-and-20 year repayment terms are still available, depending on the loan’s purpose and the borrower’s wishes.

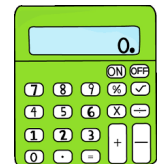
The 504 program helps small businesses compete on similar financial terms as larger businesses. Many bankers and borrowers like the 504 loans because they are relatively easy to enact and offer the most flexible terms.

Small-business owners may miss these financing programs. They are busy running their business and handling the responsibilities that come with it; sales, employee relations,

inventory. Anyone who owns a small business will tell you that running a company is a full-time job, with plenty of overtime.

This is a reminder of what many of you already know; we’ll help you tailor a 504 loan to your customers’ needs. Fixed interest rates and flexible terms are very important features of the 504 loan program. In this environment — in which interest rates are likely to increase over the years — a longer fixed rate repayment schedule will be even more important for a small business owner.

Please call us with your small-business financing challenges.



## Indiana Statewide Certified Development Corporation

The "effective" interest rates include the monthly amortization of the notes and the monthly payment of servicing fees.



### Effective Interest Rate

<u>2018</u>	<u>10-yr.</u>	<u>20-yr.</u>	<u>25-yr.</u>
July	5.30	5.26	5.32
August	—	5.30	5.35
September	5.25	5.25	5.29

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# Indiana Statewide Certified Development Corp.

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Lodge Design has grown in Irvington, on Indianapolis' east side, for 20 years. All along, a vacant commercial building stood a few blocks away.

This year, Lodge Design's marketing work demanded larger quarters. Owners Jarrett Hagy and Jason Roemer looked in their own neighborhood. Lodge Design bought, remodeled and became its new building's first occupants in a quarter-century.

Hagy says the building — formerly an engineering firm — was structurally sound but dated. **"We demolished and rebuilt the inside to promote our collaborative work environment,"** he says. The open space accommodates Lodge Designs' ten employees with room to spare.

Hagy and Roemer's SBA 504 loan came from Stock Yards Bank & Trust and Indiana Statewide CDC.

Hagy says, **"The 504 program was a great match for us. Having a smaller down payment made it a reality for us."**

Jason Benson of Stock Yards Bank says, **"From the bank's standpoint, a 504 loan is a good way to help build our client portfolio and also help clients reach their goals."**

Lodge Design creates branding, broadcast, video, digital and other outreach for clients. They currently include the edgy Indy Film Fest, historic meccas Connor Prairie, Indiana State Museum and the Hoosier Gym in Knightstown, Lutheran Health Network and Sun King Brewery.

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

**Lodge Design, Inc.**  
Indianapolis, IN

In participation with  
**Stock Yards Bank & Trust**  
Indianapolis, IN



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BRANDING                      BROADCAST                      VIDEO                      DIGITAL

# TRI Phase TECHNOLOGIES®

**"It feels right,"** is how Robert Haecker describes the SBA 504 loan that is helping his company move from Carmel to Zionsville.

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

**TriPhase Technologies**  
Zionsville, IN

In participation with  
**First Internet Bank**  
Fishers, IN



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Haecker owns TriPhase Technologies with his wife, Shanna. TriPhase designs, sells, installs and services audio, video and IT systems for residential and commercial applications. Geographically, TriPhase focuses within 100 miles of Central Indiana, but jumps off elsewhere as existing clients outfit second homes in places such as Los Angeles and Key West.

First Internet Bank and Indiana Statewide CDC provided TriPhase's SBA 504 loan to buy the land and building at the company's new site. Haecker says, **"The 504 loan is instrumental in locking down a very reasonable interest rate for an extended period of time. Interest rates are as low as they are ever going to be. The stars aligned and we found this building."**

First Internet Bank's David Dunbar says, **"The SBA 504 loan program was the perfect financing solution for the new TriPhase Technologies building. The long term fixed rate on the SBA loan was especially attractive to our client. With clear guidance from the Indiana Statewide team, the entire process from underwriting to closing was a straightforward and smooth process."**

January, 2019 is TriPhase's move-in date. TriPhase will double its space from 14,000 square-feet in two locations (an office and secondary warehouse) to 28,000 square feet. For the first time in its 12-year history, TriPhase will have its office, showroom and warehouse under the same roof.

TriPhase Technologies has 50 employees. It's a big step up from Haecker's first company. At 14, he started a skateboard store in Marion. He operated it while in high school to earn seed money for TriPhase.

Check out our website at [www.cambridgecapitalmgmt.com](http://www.cambridgecapitalmgmt.com)

# Indiana Statewide Certified Development Corp.



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Justin Keeling bought a building near Kokomo's Markland Mall and combined three small tax preparation businesses into his new company, Community Tax Service. Keeling purchased the small businesses from owners who were ready to retire.

Community First Bank and Indiana Statewide CDC helped Keeling buy the 30-year-old building.

Keeling is an experienced financial and tax preparation consultant offering bookkeeping services and financial planning year-around. He now employs approximately 10 people — mostly part-time during the tax season — and three full-time employees.

Greg Gordon of Community First Bank says, **"The 504 loan offered Justin and his business a long term, fixed rate for the SBA note and the Bank a 50 percent loan-to-value."**

**"Justin and the Indiana Statewide CDC team really were great to work with. Indiana Statewide CDC helped us see the financing all the way through to completion,"** Gordon says.

Community Tax Service, Keeling says, is the largest accounting firm in the area covering Kokomo and Howard and Tipton counties. Small-business payroll and bookkeeping services are also available.



Community Tax Service

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

**Community Tax Service**  
Kokomo, IN

In participation with  
**Community First Bank of Indiana**  
Kokomo, IN



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## Indiana Statewide Certified Development Corporation

Permanent fixed-rate equipment financing for

**Endeavor Precision, Inc.**  
Elwood, IN

In participation with  
**Fifth Third Bank**  
Indianapolis, IN



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**Cambridge Capital Management Corp.**

Endeavor Precision is a new company in Elwood. It used SBA 504 financing from Fifth Third Bank and Indiana Statewide CDC to purchase and install the machinery that puts "precision" in the company name.

Endeavor specializes in drilling holes in metal and electrically conductive material. The company can drill holes as small as four-thousandth of an inch up to 250 inches in diameter.

Ben Hutchins of Fifth Third Bank says, **"The 504 program is great for this type of project. The company is freeing up capital for its all-important start-up phase by taking advantage of a low down payment and fixed-rate, long-term repayment period."**



More rooms — and a fresh, new appearance — are available at Jasper's Hampton Inn. Capacity increased by 17 rooms up to 90, and all rooms were modernized in a project financed by an SBA 504 loan from German American Bank and Indiana Statewide CDC.

Co-owner Gail Hettinger says, **"It's nice to know exactly what we will be paying on our loan every month. The fixed-rate is a big help in planning our budget."**

The Hampton Inn is next door to the Schnitzelbank German restaurant, a Jasper landmark for 58 years. Both are two of several business properties in Jasper owned by the family of Larry and Betty Hanselman. Gail Hettinger is Larry and Betty's daughter.

Gail worked with German American and Indiana Statewide CDC on 504 financing in 2014 when her family purchased the former Jasper Country Club for their family catering and event businesses.

Michael Kern of German American Bank says, **"Our bank uses the SBA 504 program to help clients hedge their bets against fluctuating interest rates. And they can get into the program with a lower down payment than would be the case with a conventional loan. The 504 is a great program."**

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

**Hampton Inn**  
Jasper, IN

In participation with  
**German American Bank**  
Jasper, IN



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**Cambridge Capital Management Corp.**

# Indiana Statewide Certified Development Corp.



Third Quarter 2018

Eric Warne and Todd Irwin combined more than two decades in technology work to form Blue Sky Technology Partners in 2006. As an e-consultant practice, BlueSky lives up to its name, helping clients around the world aim for higher achievement in their own specialties.

Following Warne and Irwin's commitment to steady growth via providing excellent service to one client at a time, BlueSky reached the point in 2018 that it needed larger facilities in Noblesville. BlueSky obtained SBA 504 financing from Stock Yards Bank & Trust and Indiana Statewide CDC to purchase land and construct its new headquarters.

Paula Moan of Stock Yards Bank says, **"The SBA 504 program allows good companies to grow and also creates employment opportunities. In this case, the SBA 504 loan allows BlueSky Technology to retain more capital to support operations than it would have with a conventional loan, due to the smaller equity injection required by the SBA 504 loan."**

BlueSky's new headquarters allows room for further expansion. BlueSky also maintains offices in Unionville (Toronto), Canada and Hyderabad, India.

**BlueSky**  
TECHNOLOGY PARTNERS

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

**BlueSky Technology Partners**  
Noblesville, IN

In participation with  
**Stock Yards Bank & Trust**  
Indianapolis, IN



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## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

**America's Best Value Inn**  
Lebanon, IN

In participation with  
**The Farmers Bank**  
Lebanon, IN



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Ronak Patel has purchased the America's Best Value Inn at the I-65 Lebanon exit (exit 140 at IN 32). His SBA 504 loan to buy the hotel comes from The Farmers Bank and Indiana Statewide CDC.

Patel is an enthusiastic owner. He says, **"This hotel is very successful, and business this year, so far, is better than last year. The SBA 504 loan is very helpful to my budgeting and managing my cash flow."**

The Farmers' Bank is a frequent SBA 504 lender, says Sr. VP Dwain Pitzer. **"We've used the program on many different projects. SBA 504 loans help new people get started in business."**

Patel says his hotel employs four people. He adds that his Best Value Inn is in good shape and that he is "slowly remodeling" and refurbishing the hotel.

Patel's America's Best Value Inn rooms include complimentary wireless internet and cable TV. Free continental breakfast and 24-hour tea and coffee service are available in the lobby.



A new funeral home in Daviess County boasts one of the area's oldest names; Goodwin-Sievers Family Funeral Home.

In Washington, the county seat, Tim and David Goodwin and Chris Sievers purchased a former restaurant building and converted it to a modern funeral home. It has been open since construction finished in April.

Goodwin-Sievers Funeral Home obtained SBA 504 financing from German American Bank and Indiana Statewide CDC. They also used a 504 loan from the same lenders in 2011 to purchase a funeral home in Vincennes.

Greg Cardinal of German American Bank says, **"The unique features of SBA 504 loans are perfect for small businesses. In this case, we helped Goodwin-Sievers bring a new business to Washington and Daviess County."**

Chris Sievers says, **"We were familiar with the SBA 504 program. We used it before when we purchased the former Gardner Brockman Funeral Home in Vincennes. It worked well for us then. So with today's economy and the continued low fixed interest rate for the 504 loan, we wanted to use the program again."**

The three combined Goodwin-Sievers funeral homes in Washington and Vincennes employ more than a dozen people in full-time and part-time jobs.

## Indiana Statewide Certified Development Corporation

Permanent fixed-rate second mortgage financing for

**Goodwin-Sievers Family Funeral Home**  
Washington, IN

In participation with  
**German American Bank**  
Vincennes, IN



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# Indiana Community Business Credit Corp.

Third Quarter 2018



Ground was broken recently for KMG Homecare Unlimited's new headquarters and office building in Anderson.

The company has grown rapidly in its first three years of providing in-home care for elderly and rehabilitating residents of Madison County. It has more than 70 employees, mostly working from home or in patients' residences. But the core office staff of 13 needed to expand its space to provide more services, says owner Julie Allman.

A working capital loan from Indiana Community Business Credit Corp. and First Merchants Bank helped KMG continue its work while Allman arranged for the new building.

Aaron Reger of First Merchants says, **"KMG's project is a good example of why First Merchants Bank is a long-time participant in the Credit Corps pool of mezzanine capital. The Credit Corp funding stepped in at a key time to help KMG establish a foundation for its growth."**

KMG Homecare also has arranged construction financing with First Merchants and Indiana Statewide CDC through the SBA 504 program.

KMG's new building will house its offices and allow space for other small business tenants. It is located next to KMG's current office in a former dental practice along Anderson's busy East 38th Street.

Allman says she intends to add more jobs to KMG's in-home care staff in the next year.

## Indiana Community Business Credit Corporation

Provided Growth Capital For:

**KMG Homecare Unlimited**  
Anderson, IN

In participation with  
**First Merchants Bank**  
Indianapolis, IN



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## How a "Mezzanine" Step is a Big One

A mezzanine is a partial-story between two floors of a building. It's a step up that helps you climb to the next level.

More than 150 Indiana companies have taken that step up with the Indiana Community Credit Corp and its pool of mezzanine capital. The pool is funded by Indiana banks.

There's no one way to describe the varied companies that receive the Credit Corp's mezzanine loans. But here are a few:

Working capital from the Credit Corp. assisted a Central Indiana home health care provider while it used other funds including SBA 504 financing for construction.

A local Indianapolis coffee roaster received equipment funding that helped expand production and increase its market reach to supermarkets and restaurants in the Midwest.

You get the synergy (the interaction of two or more forces to create an outcome greater than the sum of their individual efforts). The Credit Corp and partner banks work together — and sometimes in tandem with other funders — to assure that Indiana's small companies have the best chance to prosper. It's like building a launch pad for a rocket or, constructing a mezzanine step up.

How it works: The Credit Corp takes a subordinate collateral position, participating in projects that need at least \$200,000 in total new financing. The Credit Corp can provide \$100,000 - \$500,000 but not more than 50% of the project financing.

How to start: Bank members, call the Credit Corp at (317) 843-9704 (Ext. 124) or visit [www.cambridgecapitalmgmt.com](http://www.cambridgecapitalmgmt.com). Business owners, reach the Credit Corp. through one of the following bank members:

1st Source Bank	JPMorgan Chase Bank, Kentucky	Regions Bank
BMO Harris	KeyBank	Salin Bank & Trust
Citizens Bank	Lafayette Bank & Trust	Springs Valley Bank & Trust
Fifth Third Bank	Lake City Bank	STAR Financial Bank
First Financial Bank	Marine Bank	State Bank of Lizton
First Internet Bank	National Bank of Indianapolis	Stock Yards Bank & Trust
Greenfield Banking Company	North Salem State Bank	US Bank
Horizon Bank	Old National Bank	Wells Fargo Bank
Huntington Bank	PNC Bank	

Check out our website at [www.cambridgecapitalmgmt.com](http://www.cambridgecapitalmgmt.com)



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Lynx Capital Corporation  
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## Success Story: Metric Environmental, LLC

It was a tough start for Metric Environmental, LLC. But an infusion of capital from Lynx Capital Corporation and Indiana Community Business Credit Corp. helped Metric take off. Just a year later, the company’s growth enabled it to repay its obligation.

Metric Environmental was founded in 2016 by Kenneth Beache, its president and chief environmental engineer, and Vince Epps, vice president and chief environmental scientist.

Beache says, **“Metric struggled to find capital to manage the growth and operations. We had no other options. Lynx and The Credit Corp. came together to refinance permanent and operating finances, and to provide liquidity to weather the challenges of the business startup and operation.”**

Lake City Bank provided a line of credit during the same time for day-to-day expenses. Ryan Hart of Lake City says, **“Our involvement depended upon the Credit Corp. and Lynx support for Metric.”**

In just 30 months, Metric has grown from 12 to 20 employees—including scientists, engineers and geologists—with offices in Indianapolis, Gary and Cincinnati. The company’s list of projects includes assessments, environmental site control and pollution remediation for building construction and demolition, highway projects, stream cleanup and sewage disposal.

Beach and Epps started Metric Environmental as an offshoot of Shrewsberry and Associates, an Indianapolis environmental engineering firm. Both worked for Bill Shrewsberry in his company. They spun off their separate firm, realizing Bill Shrewsberry’s dream of building a strong business that could continue under second-generation African-American ownership.

